

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

September 20, 2004

CALL TO PODIUM:

Fred Felton
Assistant City Manager

RESPONSIBLE STAFF:

Fred Felton
Assistant City Manager

Cathy Borten, City Attorney

AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing
	Historic District
	Consent Item
	Ordinance
X	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:

Resolution of the Mayor and City Council Authorizing the City Manager to Negotiate and Execute a Second Amendment to the Annexation Agreement (X-161) With MR 270 NMD I, LLC, and Wells Capital, Inc.

SUPPORTING BACKGROUND:

The 121.9 acre IBM/Monument property was originally annexed into the City in June 1992.

The annexation agreement permitted the property owner to develop an additional 150,000 square feet without extractions or conditions. Additionally, the annexation agreement permitted additional development as permitted by the I-3 zone.

On May 3, 2001, the Planning Commission approved Monument Realty's concept plan for development of 1,000,000 square feet of additional office space. As a condition of this approval, the Planning Commission required the applicant to negotiate a staging agreement with the City Manager.

To accomplish mutual goals, staff is recommending an annexation agreement with the following key provisions:

1. Monument will reduce the additional density on this property from the approved 1,000,000 square feet to 750,000 square feet of office space.
2. The project would be staged to permit the construction of two 200,000 square foot office buildings now. (see #6 below)
3. The remaining 350,000 square feet of development would not be permitted until the Watkins Mill Road interchange is constructed.

CONTINUED**DESIRED OUTCOME:**

Approve resolution.

SUPPORTING BACKGROUND, continued: Monument

4. Monument will dedicate 3.79 acres of land necessary for construction of the Watkins Mill Road interchange.
5. Monument will dedicate 1.79 acres of land necessary for construction of Watkins Mill Road extended.
6. Monument will construct the two 200,000 square foot buildings described in #2 above utilizing green building technology and will seek LEED certification from the US Green Building Council. If Monument fails to obtain the certification, they will pay the City a penalty fee equal to five percent of the total construction cost of the buildings.
7. The Montgomery County Impact Tax for the first two buildings will be \$2,000,000. The City will support Monument's efforts to obtain a credit from Montgomery County for an improvement to MD Route 355 in an amount not to exceed \$1,000,000. The remaining Impact Tax funds will be earmarked for construction of Watkins Mill Road extended.

Please note that the Planning Commission reviewed the preliminary site plan for this project that reduces density from 1,000,000 to 750,000 square feet on August 5, 2004. It is anticipated that Monument will be before the Planning Commission for approval of the final site plan for the first two buildings on September 22, 2004; however, the project cannot move forward without the annexation agreement amendment.

Resolution No. _____

RESOLUTION OF THE MAYOR AND CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO NEGOTIATE AND EXECUTE A SECOND AMENDMENT
TO THE ANNEXATION AGREEMENT (X-161) WITH MR 270 NMD I, LLC,
AND WELLS CAPITAL, INC.

WHEREAS, the IBM/Monument property was originally annexed into the City in June of 1992; and

WHEREAS, on May 3, 2003, the Planning Commission approved Monument Realty's concept plan for development of an additional 1,000,000 square feet of office space; however, this 1,000,000 square feet of office has not been constructed to date because a staging agreement was not reached, and

WHEREAS, Monument Realty has redesigned the proposed office development and has reduced the proposed additional density from 1,000,000 to 750,000 square feet of office space; and

WHEREAS, Monument Realty and the City have proposed an annexation agreement amendment that would permit construction of 400,000 square feet of office space without additional transportation improvements if approximately 5.5 acres of land necessary for construction of the Watkins Mill Road Interchange and Watkins Mill Road Extended are dedicated:

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Gaithersburg, that the City Manager be and he hereby is authorized to authorize the City Manager to negotiate and execute a second amendment to the annexation agreement (X-161) with MR 270 NMD I, LLC, and Wells Capital, Inc.

ADOPTED by the City Council this 20th day of September, 2004.

SIDNEY A. KATZ, MAYOR and
President of the Council

THIS IS TO CERTIFY that the foregoing
Resolution was adopted by the City Council
in public meeting assembled on the 20th day
of September, 2004.

David B. Humpton, City Manager